

SOUTHEASTERN BANKING CORP

Form 10-K/A

August 23, 2011

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-K/A**

**Amendment No. 1**

**Annual Report Pursuant to Section 13 or 15(d)**

**of the Securities Exchange Act of 1934**

**For the Fiscal Year Ended December 31, 2010**

**Commission File Number 000-32627**

**(Exact name of registrant as specified in its charter)**

**Georgia**  
**(State or other jurisdiction of**

**incorporation or organization)**

**58-1423423**  
**(IRS Employer**

**Identification No.)**

**P. O. Box 455, 1010 North Way, Darien, Georgia 31305**

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(Address of principal executive offices) (Zip Code)

(912) 437-4141

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, par value \$1.25 per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark whether the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The aggregate market value of common stock held by non-affiliates on June 30, 2010 was approximately \$21,515,000 (based on per share price of \$10.50 on over-the-counter trades executed by broker-dealers). For purposes of this calculation, the Registrant has assumed that its directors, principal shareholders and executive officers are affiliates.

As of August 15, 2011, the Registrant had 3,129,388 shares of common stock outstanding.

**DOCUMENTS INCORPORATED BY REFERENCE**

None.

### EXPLANATORY NOTE

Southeastern Banking Corporation is filing this Amendment No. 1 on Form 10-K/A for the sole purpose of amending Part II Item 9A of its Annual Report on Form 10-K for the year ended December 31, 2010, as filed with the Securities and Exchange Commission on April 29, 2011, to include management's report on internal control over financial reporting in response to comments received from the Securities and Exchange Commission. While the Company disclosed its evaluation and conclusion over the design and effectiveness of its disclosure controls and procedures in Item 9A of the Form 10-K as filed on April 29, 2011, it omitted management's report on internal control over financial reporting in error from the original filing.

This Amendment No. 1 does not otherwise update information in the originally filed Form 10-K to reflect facts or events occurring subsequent to the original filing date.

#### **Item 9A. Controls and Procedures.**

An evaluation of the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act was carried out under the supervision and with the participation of the Company's CEO, Treasurer, and other members of management as of December 31, 2010. The CEO and Treasurer concluded that, as of December 31, 2010, the Company's disclosure controls and procedures were effective in ensuring that the information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is:

(i) accumulated and communicated to the Company's management, including the CEO and the Treasurer, and (ii) recorded, processed, summarized, and reported in accordance with the SEC's rules and forms. There were no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the year ended December 31, 2010 that has materially affected, or is likely to materially affect, such internal controls.

The Company does not expect that its disclosure controls and procedures will prevent all error and fraud. A control procedure, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control procedure are met. Because of the inherent limitations in all control procedures, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any control procedure is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies and procedures may deteriorate. Because of the inherent limitations in a cost-effective control procedure, misstatements due to error or fraud may occur and not be detected.

The Company intends to continually review and evaluate the design and effectiveness of its disclosure controls and procedures, to improve its controls and procedures over time, and to correct any deficiencies it may discover in the future. The goal is to ensure that management has timely access to all material financial and non-financial information concerning the Company's business. While the Company believes the present design of its disclosure controls and procedures is effective to achieve its goal, future events affecting its business may cause the Company to modify its disclosure controls and procedures. The Company continues to use the widely accepted Committee of Sponsoring Organization of the Treadway Commission ( COSO ) framework for its evaluation of such internal controls.

**Management's Report on Internal Control Over Financial Reporting**

The management of Southeastern Banking Corporation (the Company) is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements, error or omissions. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2010. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework*. Based on this assessment and those criteria, management believes that the Company maintained effective internal control over financial reporting as of December 31, 2010.

This Annual Report does not include an attestation report of the Company's independent registered public accounting firm regarding internal control over financial reporting. The Company's registered public accounting firm was not required to issue an attestation on its internal controls over financial reporting pursuant to the rules of the SEC that permit the Company to provide only management's report in this Annual Report on Form 10-K.

Southeastern Banking Corporation

April 26, 2011

/s/ CORNELIUS P. HOLLAND, III  
Cornelius P. Holland, III  
President and Chief Executive Officer

/s/ ALYSON G. BEASLEY  
Alyson G. Beasley  
Vice President and Treasurer

**PART IV**

**Item 15. Exhibits, Financial Statement Schedules.**

(a)(3) Index to Exhibits:

Exhibit 31.1	Rule 13a-14(a) Certification of CEO.
Exhibit 31.2	Rule 13a-14(a) Certification of Treasurer.
Exhibit 32	Section 1350 Certification of CEO/Treasurer.

**Signatures**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**SOUTHEASTERN BANKING CORPORATION**  
*(Registrant)*

By: /s/ CORNELIUS P. HOLLAND, III  
**Cornelius P. Holland, III, President & CEO**

Date: August 23, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signatures	Title	Date
<b>PRINCIPAL EXECUTIVE OFFICER:</b>		
/s/ CORNELIUS P. HOLLAND, III <b>Cornelius P. Holland, III</b>	President & CEO; Director	August 23, 2011
<b>PRINCIPAL ACCOUNTING/ FINANCIAL OFFICER:</b>		
/s/ DONALD J. TORBERT, JR. <b>Donald J. Torbert, Jr.</b>	Treasurer	August 23, 2011
<b>DIRECTORS:</b>		
/s/ ALYSON G. BEASLEY <b>Alyson G. Beasley</b>	Executive Vice President; Director	August 23, 2011
/s/ DAVID H. BLUESTEIN <b>David H. Bluestein</b>	Director	August 23, 2011
/s/ ALVA J. HOPKINS, III <b>Alva J. Hopkins, III</b>	Director	August 23, 2011
/s/ DONALD R. MCCUE <b>Donald R. McCue</b>	Director	August 23, 2011